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SPEECH

OF

MR. PHILLIPS, OF MASSACHUSETTS,

UPON THE BILL FOR THE

RELIEF OF THE SUFFERERS BY THE FIRE AT NEW YORK.

DELIVERED

IN THE HOUSE OF REPRESENTATIVES,

FEBRUARY 16, 1836.

WASHINGTON:

NATIONAL INTELLIGENCER OFFICE,

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The House being in Committee of the Whole on the New York relief bill, and the motion of Mr. HARDIN, to strike out the proviso of the first section, still pending—

Mr. PHILLIPS rose, and addressed the Committee as follows:

Mr. CHAIRMAN: I have felt it my duty to examine, with care, the provisions of this bill, and to weigh the objections which have been urged against it. From an acquaintance with the state of business, and the general situation of merchants in the city of New York; from personal observation of the immediate effects of the recent calamity; and from inquiry into the probable extent of its wide-spread consequences, I have been convinced of the importance, nay, of the absolute necessity of some early provision, on the part of this Government, for the relief of its debtors in that city; and, upon reflection, I am satisfied that it is not more the impulse of liberality than the obvious dictate of sound policy to do at least all that is proposed in this bill.

The bill provides for two objects: first, the relief of such debtors of the Government as were immediate sufferers by the fire; and, secondly, the relief of all who were indebted to the Government in the city of New York at the time when the fire occurred. The proposed relief is confined, in both cases, to debtors of the Government, and consists simply of an extension, without interest, of the time of payment of bonds given to secure the duties upon goods recently imported. This relief it is proposed to afford in the largest measure to the immediate sufferers, and in a less degree to the others who are supposed to be liable to temporary embarrassment, if not direct loss, from the necessary consequences of such a calamity.

The extension of payments thus provided for is an indulgence which the Government can grant, in the present state of its finances, without inconvenience, and, under the existing arrangements of the Treasury Department, without any sacrifice. Such is the amount of surplus revenue already collected, that, if these bonds were paid at maturity, the Government would have no use for the money, and it would be suffered to lie in the deposit banks without interest. The effect of the bill will, therefore, be, to allow to the debtors of the Government, rather than to the banks, the gratuitous use of the amount of the bonds during the time of extension. So far as the privilege which the banks would otherwise enjoy may be thus curtailed, they can have no right to complain, since the use of the Government balances that will still remain in their hands, must be more than an ample remuneration for the services they perform.

All that is proposed, then, is nothing more than an ordinary arrangement, to which, under various circumstances, creditors are often obliged to accede from considerations of prudence and liberality. In this case, while there may be reason to suppose that, by refusing such temporary accommodation, the Government might fail of securing its debts, it is clear that, by granting it, it will afford direct and effectual relief to its debtors, and, in relieving so many of them, do much to restore confidence and hope to a distressed community.

The relation between the Government, as a creditor, and the citizens

whom it requires to become its debtors, by giving bonds for duties upon imports, is, under our revenue system, in several respects, peculiar; and the course of the discussion upon this bill has shown that it is not sufficiently understood. It differs essentially from the usual relation between creditor and debtor, inasmuch as it results not from an ordinary and voluntary contract, as between buyer and seller, but from a legislative exaction, which creates the debt without furnishing to the debtor an immediate, but only a contingent equivalent. Let me endeavor to illustrate my meaning upon this point, confining the illustration to the case of duties secured by bonds. Immediately upon the arrival of a ship in port, before the cargo can be landed, the importer is required to execute his bond, with sureties, for the amount of duties on the goods consigned to him; and, from that moment, except that he is entitled to an allowance for damage ascertained to have been incurred during the voyage of importation, he is responsible to the Government for the amount of his bond, whatever losses he may incur in landing and storing the goods, or while they remain in store, before he has had an opportunity of disposing of them for consumption or export. Should the goods be exported, he is entitled to a drawback of the duty; if they are sold for consumption, the duty becomes an increment of value, and is received back by the importer in the price which the consumer pays; but while they remain in the warehouse of the importer, even, as in many cases, under the lock and key of the custom-house, the Government holds him responsible for the duties, against all risks; and, should the goods be destroyed or lost, will still exact the payment of his bond. Now, it is obviously of no advantage to the importer that a duty is thus levied upon his goods, and it is as obviously not the design of the revenue laws that he shall be a loser, by reason of his being held subject to the payment of the duty; but the design is, that the payment of the duty shall devolve ultimately upon the consumer, and the Government employs the importer as its agent for collecting the duty from the consumer. When the importer has sold the goods to the consumer, (though he is obliged to take upon himself the risk of bad debts, without any guaranty from the Government,) he has realized a consideration for his bond, and acquired the means of paying it; but, until that contingency has occurred, he remains in the situation of an agent who, upon the receipt of goods on consignment, has made an advance in cash, or given an acceptance to his principal, without being able to avail himself of the legal privilege of the agent in such cases, of recovering from the principal the amount of the advance or acceptance, if the goods should be lost or destroyed, in landing or in store, before they can be sold.

The disadvantage and injury to which the importer is thus exposed, may be attributed to a prominent defect in our revenue laws—the want of a **WAREHOUSING SYSTEM**. In England, where that system, after many gradual efforts to establish it, has been in full operation since 1826, the evil does not exist. It is there provided that the importer, upon landing his goods, may deposit them, under the inspection of officers of the customs, in a "warehouse of special security," as it is termed, which may be a private store or quay duly licensed for the purpose, under prescribed regulations; and the goods are allowed to remain in such warehouse for a term of three years, subject only to the standing bond of the proprietor or occupier of the warehouse, or the special bond of the importer, "for the payment of the full duties of importation, or for the due exportation of the goods." If within three years the goods are exported, the bond is discharged; if they are taken "for home use," the duties are payable in cash upon delivery from the warehouse. While the goods are warehoused, the duty does not accrue; if they are lost or destroyed by unavoidable accident in the warehouse, the duty is not held to

be payable; or, if they are lost or destroyed "in landing or shipping," or "in the receiving into, or delivery from the warehouse," the duty, "payable or paid," is remitted or returned. While the goods remain in the warehouse, sales may be made by one party to another, (the law prescribing a mode of transfer,) and the purchaser succeeds to all the privileges of the importer; or, rather, the privilege attaches to the goods, so long as they remain in the warehouse, whatever may be the changes of ownership in the meanwhile. It is not until they are about to pass into immediate consumption that the duty is payable; and thus the importer has the opportunity of collecting the duty from the consumer before he is required to pay it to the Government; and it is only after the goods have passed into the consumer's hands that the Government is released from the risk of losing the duty, in consequence of any unavoidable accident (by fire, or otherwise,) that may befall the goods.

Such, Mr. Chairman, is the design of the English warehousing system; and the gentleman from South Carolina (Mr. PICKENS) will perceive, that, in a case like the present, it would save harmless (in respect to liability for duties) most of the importers, for whose partial and temporary relief this bill makes provision. Had the English system been in operation at New York, a large proportion of the imported goods destroyed by the fire would have been warehoused; the duty would not have accrued, and would not have been payable; and the Government could not have been a gainer by the calamity, as it now may be, since it has secured the duty upon all goods which, if not burned, would have been exported, and will derive an increase of revenue from the importation of goods required to supply the place of those (also burned) which were intended for consumption.

I regret, sir, that the warehousing system could not, long since, have been introduced here. As perfected in England, it affords innumerable advantages to the commerce of the country, and has not proved liable to abuse. I perceive no sufficient obstacle to its introduction here. The principle was partially recognised in the sixtieth section of the act of Congress of 2d March, 1799, providing for the landing, storing, and re-lading of the cargoes of ships arriving from foreign ports in distress, without requiring the consignee, in such cases, to enter the goods and secure the duty. The allowance of drawback upon goods exported, is also a partial recognition of the principle; but, it is only by adopting the system in its entire extent, that we can secure to our citizens the same advantages of foreign trade that are now enjoyed in England, as well also as at most of the principal ports of the continent of Europe. The fire at New York furnishes striking proofs of the injury and injustice to which merchants are exposed, from the want of the system; and I shall consider it as the strongest indication of friendly regard for the mercantile interest, whenever Congress shall see fit to entertain a suitable proposition in reference to this object. I shall cheerfully vote for this bill, because I consider it founded in the most equitable principles, and because it provides for a case of suffering of appalling magnitude; and yet I am not unaware that it furnishes some foundation for the charge of partial legislation, inasmuch as there have been other cases, similar in all important respects to this, in which importers, from unavoidable accident, have been subjected to the loss of goods upon which they had secured the duties, and have received no relief from the Government. It is impossible to refer to any single case which exhibits an amount of loss at all approaching to what has been sustained at New York; but I am safe in saying that the aggregate of losses in such cases as the Government has failed to provide for, if it could be ascertained, would prove that importers have been hitherto great sufferers from the unjust operation of laws which are still in force, and from the want of a system which might easily be established.

The gentleman from South Carolina, (Mr. PICKENS,) misapprehending, as I conceive, the relation between the Government and the importer, upon which the provisions of this bill are founded, has illustrated his view by the assertion that the claim upon the Government is the same, or that there is equally no ground for a claim, whether the sufferer by fire is an importer at New York or a purchaser of imported goods at Cincinnati. The Government is clearly under no obligations to the dealer at Cincinnati. It has subjected him to no legislative exactions; it holds him under no peculiar responsibilities; it sustains towards him no other than the ordinary relation of Government to a citizen. It is, more especially, in no sense his creditor; it has no demand against him as a debtor; and, most of all, it cannot regard him as a debtor, of whom it is requiring the payment of a debt for which it has given him no equivalent, and in regard to whom the contingency, upon which alone depended the opportunity of his realizing an equivalent, through unavoidable accident, cannot occur. This, then, is the distinction between the two cases, resulting from the widely different relations which the supposed sufferers sustain towards the Government. When the foreign goods pass from the importer to the consumer, (or to the consumer's agent, the purchaser for consumption,) I agree that the duty becomes an increment of value; that the importer then realizes the equivalent for what he has paid or owes the Government; that from that time the importer can have no claim upon the Government, growing out of the peculiar relation which he had assumed; and, that of course he cannot transfer to the consumer, or his agent, an equitable right which was peculiar to himself as an importer, and has ceased to exist. The purchaser for consumption buys the foreign goods of the importer, as he would buy any other goods, for a fair consideration, and afterwards holds them, as he would hold any other goods, at his own risk. His contract with the importer does not involve any assumption of responsibility to the Government; he cannot therefore prefer a claim against the Government as resulting from that contract, and there is no other ground upon which he can rest a claim. Whenever the Government shall return to a system of which its experience has been too unfortunate again to recommend the adoption, and shall levy an excise upon whiskey before it has been removed from the vats, or, at least, from the warehouse of the distiller at Cincinnati; and when that distiller can state the fact to Congress, that, as one of the sufferers by an awful conflagration which has reduced to ashes an extensive section of the thriving emporium of the west, he has been deprived, by the destruction of his property, of the means of recovering from the consumer the amount of the excise which he has paid or owes the Government, there may be a case at Cincinnati resembling, in some of its features, and in its equitable claims to the consideration of Congress, the present case at New York.

I have thus far confined myself to a statement of some of the reasons which induce me to regard it as an act of justice, to make provision for those debtors of the Government who have been immediate sufferers by the fire—the first class designated in this bill. My convictions lead me to the conclusion that the most reasonable objection to the first section of the bill is, that it falls short of its proper object; and that it should have provided, not simply for an extension of the time of payment, but, under suitable regulations, to prevent fraud, for the absolute remission of the duties upon all goods subject to duty which were destroyed by the fire. And, sir, if any argument applicable to this case is to be drawn from that clause of the constitution which requires duties to be "uniform," I submit to the gentleman who has quoted it, (Mr. PICKENS,) whether it is not virtually a palpable disregard of uniformity to require of the importer, whose goods perished in the fire on the day of their

landing, or on the day preceding that on which (the outward entry, perhaps, having been lodged at the custom-house) they were to have been exported, or on any intermediate day, so long as they remained in his hands undisposed of for consumption or export, the same duty which has been paid by another importer, who has received the duty from the consumer, and has thereby been enabled to act as the law intended he should act, merely as the agent of the Government, in collecting the duty which is thus actually paid by the consumer? Upon a proper construction of the clause, however, I do not consider it as furnishing any argument applicable to this case; and I suppose it only designed to prescribe that the general revenue laws shall operate equally and alike throughout the country, without restraining the power of Congress to make suitable provision for extraordinary cases arising under those laws, as necessity, justice, or the public interests may require. I will barely submit, in this connexion, that, to insure the most salutary effect to this and every part of the constitution relating to the collection of revenue from imports, and to the regulation of commerce incident thereto, there is no ~~legal~~ provision so practicable, so simple and certain in its operation, and so well adapted to exclude cases of special legislation, as a warehousing system.

It is my deliberate opinion, for the reasons which I have stated, that the importers of "dutiable" goods, destroyed by the fire, and upon which the bonds are in the course of collection, may justly claim a remission of duties. If the bonds have been collected, or if the duties were paid in cash, I hold, for the same reasons, that the amount of duty, in such cases, should be refunded. But, at this point the gentleman from Pennsylvania (MR. CHAMBERS) encounters a difficulty which, it appears to me, may be easily removed. Confining himself to the case of bonds which have been paid, he says, that as soon as they are paid, the relation of creditor and debtor ceases; and that thereupon the claim of the importer upon the Government expires. Allow me to suggest to him, that, though the bond has been paid, if good cause shall subsequently appear why it should not have been paid; or if it can be shown that the consideration for which the bond was given has not been and could not be realized; or if, where the duty was paid in cash at the time of entry, the exportation of the goods has entitled the importer to drawback; that, in all these cases, the fact of payment has not settled the account; and that, it may be, the relation of creditor and debtor, instead of having ceased, has in effect been reversed, the Government having become the debtor for the amount paid, and the importer as a creditor being entitled to reclaim it. The English law, in the cases to which I have referred, authorizes the commissioners of customs to "remit or return" the duties "payable or paid;" and the gentleman in justice must acknowledge that, when he can agree that the duty cannot equitably be claimed by the Government, he should be equally ready to refund the money if it has been paid, or to give up the bond if it has been secured. He surely will not attempt to screen the Government from the obligation to do equal justice to two claimants, similarly situated in respect to the merit of their claims, merely because one claimant had been obliged or had chosen to advance the amount which he claims in cash, and the other had been suffered to substitute his bond; or between two claimants similarly situated in all respects, except that both having given their bonds, the bond of one should happen to fall due the day before, and that of the other the day after the occurrence of an event which it is admitted annuls the consideration for which both bonds were given.

Instead of providing for the remission of duties on goods destroyed by the fire, and for refunding the money in such cases when the duties have been paid, the bill simply provides (with the single exception of the first proviso in

the first section) for an extension of credit to the importers, to allow them time to recover from the necessary embarrassment of their present situation; and to afford them some advantage in the saving of interest upon the amount of their bonds. The gentleman from Vermont, (Mr. EVERETT,) regarding this extension in the nature of a loan, would charge them with the full rate of interest. Had these debtors actually received the principal of their debts from the Government, the charge of interest might not be deemed unreasonable, were it not that their unprecedented misfortunes entitle them to the most liberal indulgence usually or ever granted under extreme circumstances; but I submit to the gentleman that the principal of the debts, that is to say, the amount of the bonds, has not been received by the debtors when the goods, upon which the duties accrued, have been destroyed in their hands before they have been enabled to dispose of them. With this understanding of the case, I am sure he will agree with me that, if the Government is not bound in equity to release the debtors altogether, it will have been sufficiently rigorous in prosecuting its legal claims against them if it should allow a short season of delay before insisting upon payment. I have already suggested that, by the existing Treasury arrangements, if the bonds were promptly paid, the Government would suffer the money to lie, without interest, in the deposit banks; and that, therefore, the Government cannot be a loser by allowing the proposed extension. The gentleman says that the arrangements with the deposit banks have not been made, and will not be continued, with his consent; and that he would not permit the use of the Government funds either to importers or banks without requiring interest. I agree with the gentleman in all his general views in respect to the management of the public money; but I presume he has as little faith as myself in the practicability of changing the present system; and that he cannot be disposed, (yet such would be the virtual operation of his amendment,) to restrict the demand of interest to such sufferers as this bill provides for.

It is undeniable, as has been suggested by the gentleman from Vermont and others, that the proposed extension of payments to the immediate sufferers will afford relief unequally, and, in some instances, in striking disproportion to the losses actually incurred. Any provision which comes short of remitting the duties upon all dutiable goods destroyed by the fire must operate unequally; and if this consideration should lead the committee to determine that it is more equal as well as more strict justice—in other words, that it is the only mode of doing justice—to authorize such remission, I shall be entirely prepared to acquiesce in the decision. Still I cannot abandon the bill in its present shape, from an apprehension that its beneficial effects will not precisely correspond to its design in all the cases to which it may be applied. We can pass but few laws not liable to this objection; and, in respect to this bill, I content myself with the conviction, that it will produce much general benefit, and can furnish but few causes of complaint. I would prefer, as a substitute for the first section, the provision in favor of which I have argued; but the bill comes to us from the Senate; the committee who have it particularly in their charge, do not propose to amend it; and I am willing, under such circumstances, to take it as I find it. I do so the less reluctantly, as we have had an intimation that the provision I desire may yet be proposed in a separate bill.

The second section of the bill proposes to relieve all the debtors of the Government in the city of New York, by allowing an extension of the time of payment of "all bonds given prior to the fire." The section, in my view, is imperfect, in not providing for a similar indulgence in regard to the payment of cash duties; but still, so far as it goes, I am disposed to advocate it

upon the ground of public policy, and to regard the measure it proposes as at least an act of wise liberality. To judge of the expediency of this measure, all the peculiar circumstances of the case deserve to be considered.

The fire at New York has been justly represented as a most desolating calamity, unprecedented upon this continent, and with only one or two parallels in the history of the world. This is a just, but, for our purpose, too general a description. It becomes us to consider it in its necessary consequences as a commercial embarrassment, and, by inquiring into the nature and extent of these consequences, to satisfy ourselves how far it has affected the debtors of the Government, who constitute a large portion of the merchants of the city of New York.

What is the city of New York, and who are its merchants? The city of New York is, far more distinctively than any other city, the commercial emporium of the United States. The advantages which it derives from its central position, and from its unrivalled facilities of communication with every section of the country, and every quarter of the globe, have made it the grand depot of imports and exports, the principal resort of merchants and traders, and a scene of unparalleled enterprise, industry, and improvement. To use an expression which can hardly be considered as far-fetched here, it is the seat of the commercial congress of the western hemisphere, in which every State of the Union and all foreign nations are more or less numerously represented by resident agents, and where negotiations are yearly effected of sufficient magnitude to constitute a leading item of the business of the world. I speak of the city of New York as a commercial emporium; and, regarding it as such, who can behold its situation, or trace its rise, or contemplate its destiny, without emotions of admiration, astonishment, and pride? It is already called the London of America; and it has ceased to be extravagant to suppose that the time may come when this appellation will insufficiently represent, if not the number of its inhabitants, at least the extent of its commerce and the magnitude of its resources.

And who are the merchants of New York? They are, as I have said, resident agents from every foreign nation, and each State of the Union can number among them the choicest specimens of one of the best classes of its population. So intimately are they connected with every State, that perhaps there is scarcely a gentleman upon this floor who would not recognise among them some of his personal acquaintances, and constant or occasional correspondents, or, at least, many of whose constituents could not fail thus to recognise them. Known, therefore, as they are, personally, or by their general reputation, I must presume that the gentleman from Kentucky (Mr. HARDIN) does them unintentional injustice, when he alludes to them in terms, which, if not conveying a direct reproach, are adapted to excite an unfounded prejudice. But whatever may be his object, he cannot succeed in combatting the public sentiment of the country. The merchants of New York have an established character for intelligence, enterprise, and probity, which, while it has been the brightest ornament of their prosperity, will prove to them the guaranty of universal sympathy and confidence in the season of their adversity. They occupy the front rank of the merchants of the country; and throughout the country they are respected, honored, and will be sustained as eminent contributors to the national welfare, as indispensable agents in the accumulation and diffusion of the national wealth, and as worthy representatives of the national character in the wide extent of their commercial relations.

The merchants of New York are and always have been the principal debtors of the Government, or its principal agents in the collection of its revenue. At the custom-house in that city, and from the hands of its merchants, there

have already been collected between two and three hundred millions of dollars for the use of the country; more than one-half of the imposts regularly accrues there; and upon the ability and integrity of the merchants of New York, therefore, the Government must mainly depend for its available resources. The facts which are upon the records of the Treasury Department attest that, while the Government has been always a strict, and sometimes an inexorable creditor, it has sustained only the most inconsiderable loss from the insolvency or fraud of its debtors in New York. Hitherto, they have rarely as individuals, and never collectively, urged claims to its indulgence, but have promptly and scrupulously fulfilled their engagements; occasionally, too, during periods of serious embarrassment. Even now, when overwhelmed with distress, they adhere strictly to their obligations, and not a bond, except by the voluntary permission of the collector, remains unpaid. Since the fire, the collector, in the use of a sound discretion, although in the exercise of an authority not strictly conferred by law, has permitted bonds to lie over, conformably to a suggestion of the Secretary of the Treasury that some reasonable measure of relief might be expected from Congress. The present bill is designed to satisfy that expectation.

Having said thus much in justice to the city of New York, to the character of its merchants, and to their relations to the Government, I will ask the attention of the committee to some of the circumstances of the case which have determined my own judgment in regard to the expediency of the provision contained in the second section.

The fire laid waste a section of the city occupied by the merchants as a place of business. When I visited the scene a few days after the sad event, I beheld an area of fifty acres covered with smoking ruins, and strewed with fragments of damaged goods partially rescued from the flames. I perceived at once that the immense mass of buildings which had been thus laid prostrate consisted almost entirely of warehouses, the occupants of which I recollect to have been chiefly importing merchants, commission houses, or grocers, such as were always the holders of heavy stocks of goods, the aggregate value of which must have usually exceeded the largest estimate of the loss which is supposed to have been sustained. I was told that the work of destruction had been so rapid, that, in addition to the loss of buildings and goods, many of the merchants had not been able to save their books, notes, and papers. Now, Mr. Chairman, viewing this fire as a commercial embarrassment, I wish to remark that no ordinary estimate of the value of buildings and goods destroyed can convey a sufficient idea of the actual suffering which has been produced, nor even of the positive pecuniary loss which has been and is yet to be sustained. These sufferers are almost exclusively merchants, who were holding a large amount of property, enjoying an extensive credit, and engaged in profitable business. In consequence of this fire, not only is their property destroyed, but, to a greater or less extent, their credit must be impaired, and their business, for a time at least, is stopped. All their previous engagements, nevertheless, remain to be fulfilled. The fire, while it has destroyed their property, has left the debts which they owe untouched. While it has burned their books, it has not finally balanced them. Their notes and bonds will still be produced against them, although they have lost the record of their amount. They had used every precaution to guard against such a calamity. Their buildings were properly secured—some supposed to be fire proof. Whatever was the origin of the fire, none of them, at most with but one exception, are chargeable with carelessness; and they had insured their property for its full value. But the insurers were not insured! It is an incident of this case, which distinguishes it above all

others in the aggravation of misfortune, that the first names inscribed upon the list of bankruptcies attributable to the fire, were those of one-half of the fire insurance companies, who, perhaps, will not be able to pay upon an average above fifty per cent. of the demands against them, and may be compelled by the state of their affairs to postpone the payment of this meagre dividend to a period too late to afford seasonable relief.

Without going into further details, Mr. Chairman, I leave you to judge, from this strictly accurate description, of the actual condition of the merchants who were immediate sufferers by the fire. Estimate if you can the necessary effect of these combined causes of suffering: destruction of property, diminution of credit, suspension of business, overhanging debts, failure of insurance—follow them out in their remote consequences, and contingent results, and tell me what sum of money will sufficiently denote the real extent of the deplorable calamity? Set down the loss of buildings and goods at \$25,000,000, and consider this as only the first item in the account. Estimate the value of the credit which such a capital in the hands of merchants in active business would usually command, and make that the second item. Calculate the accruing profits of the business in which all these merchants were engaged, and also determine what the privilege is worth to so many merchants of being well established in business; let this be the third item. Conjecture (for it can only be conjectural) the amount of the sacrifices of property which the pressure of debts, under such circumstances, and the suspension of demands against insurers must occasion; and stop here: what is the aggregate? Could the figures be cast and the sum stated, I think it would be sufficient to convince the most incredulous that the immediate sufferers are entitled, at least, to the scanty indulgence which the first section of the bill provides for them. I think it would also be a convincing and alarming proof that such an overwhelming calamity cannot be confined to the immediate sufferers, but must, in its consequences, extend far beyond them. I think it would satisfy the gentleman from Kentucky that such an amount of loss *may* have given “a shock” to the business and credit of the whole city; and I am sure it must compel him, if he will undertake to estimate it, to carry his conceptions far beyond his ordinary standard of magnitude in money matters, and quite as much beyond the range of his previous acquaintance with the nature and extent of commercial transactions.

When the ravages of the fire had ceased, and the inhabitants began to recover from the bewildering sensations of terror and alarm which at the instant overcame them, how did they regard their general situation? They saw, as they were collected on the spot, that though only a section of the city had been destroyed, the whole community was doomed to suffer by the calamity; that, though the wound was local, the stroke of the destroyer had been aimed at the heart; that, though it was an easy matter to complete the list of immediate sufferers, it was difficult to know where to begin or where to end in enumerating the many and many others who could not escape uninjured. The merchants, more especially, instantly perceived that not one of their number was a disinterested spectator of such a scene of ruin; but that, connected as they were by mutual interests, and bound together by reciprocal obligations, the consequences which would result from such a destruction of property, and a corresponding prostration of credit, and consequent suspension of business must affect them all. The dense cloud of smoke ascending from the spot to which the fire was confined, had overshadowed the whole city, intercepting for a time the bright beams of the returning sun; and these merchants felt that a heavier cloud of distrust and embarrassment, produced by the misfortunes of the immediate sufferers, was fast gathering

over them all, threatening to blast the gilded prospect of the near future, and the precursor of events which might involve them all in temporary distress. They felt at once that it was their common duty to prepare for the worst. The impulse of sympathy with their neighbors was blended with the instinct of self-preservation. In the manifestation of mutual confidence, in the readiness of each to sustain every other, in that spirit of accommodation to circumstances which belongs to the mercantile character, they proceeded to provide for the emergency. To guard against the unavoidable scarcity of money, and the consequent difficulty of meeting such of their debts as were approaching maturity, they appealed to the banks to co-operate in all practicable measures of relief, and they imparted the force of public opinion to the obligation of creditors to grant indulgence to their debtors, by the extension of payments. They called upon the Bank of the United States to apply all the means within its disposal for their accommodation; they called upon the city government to create stock which might be made available capital; they invoked the State Government for its prompt and liberal interposition in various acts of legislation; and they appealed to the General Government to assume its just share of loss, to postpone the collection of its superfluous revenue, and to give such a direction to its finances that they might be rendered more contributory to their immediate benefit.

I am convinced, Mr. Chairman, that none who have made due inquiry into all the circumstances of their situation, can suppose that the merchants of New York have acted with a greater degree of foresight or vigor than the occasion required. Fortunately for them the fire occurred at the season of the year which affords almost their only respite from the pressure of business, and they were enabled to avail themselves of a brief leisure to concert and attempt to execute their plans. The efforts which they have made are memorable proofs of manly fortitude and dauntless perseverance, which deserve if they should not achieve success. They illustrate a public character which is entitled to universal admiration. They indicate a determined purpose, which, if any thing can, will sustain them in their most unequal struggle with adversity, and enable them to start forward with redoubled energy upon a prosperous career.

The crisis of their fate is still impending. The extent of the calamity is not yet developed in its results, and a period is approaching which must put to the severest test their ability to support themselves. Independently of their own fruitful sources of embarrassment, the signs of the times indicate a fearful tendency of events to aggravate and multiply the dangers of their situation. What is the state of things in the country at large? Greatly brightened, I delight to acknowledge, by the cheering intelligence which we have this day received, but still sufficiently perplexed to deserve anxious consideration. A year of unexampled prosperity has closed, and another year has commenced, of which they who survive its termination may be obliged to render a different account. A year has commenced fraught with results, which must leave a durable impression upon the political and financial condition of the country. Never were men of business more unprepared for sudden reverses and severe pressure, and yet never, perhaps, has there been more signal occasion to apprehend both. The over-trading of the past year, the rage for wild speculation, the abused spirit of enterprise, have led, as it would seem, to almost every conceivable misapplication of capital, in whatever form it exists, and to an extension of the system of credit to so dangerous an extreme that it is difficult to imagine any mode of rescue from the evils which it must produce. The present state of the money market affords some indication of what may yet be expected; and let any member who has the means of forming a correct

judgment, turn his attention to the general situation, at the present moment, of men of business, and of the many who, in the use of the most unheard-of expedients, and under the impulse of the maddest passion for adventure, have forced their projects and extended their transactions so vastly beyond the views and purposes of men of business, properly so called; let him endeavor to form some idea of the unprecedented financial demands of the coming year, of the engagements to be met, the contracts to be fulfilled, the notes and bonds to be paid; let him consider the strained condition of the State banks, and the necessary effects of the approaching dissolution of the Bank of the United States, unless, indeed, they are to be obviated by a modified resuscitation of that important institution; let him anticipate the various vicissitudes which usually precede and follow a diminution of the value of the leading staples of the country and a general depreciation of real and personal property; let him notice the consequences already experienced at New Orleans of a suspension of the trade with Mexico; let him bear in mind the contingencies to which all branches of our foreign trade are constantly liable; and then let him judge of the influence—the combined influence as it may prove—of all these causes of commercial embarrassment upon the straitened condition of the merchants of New York. Let him then decide whether the circumstances are not, or may not be, such as to justify this Government in extending to its debtors, and all its debtors, in that distressed city, the same measure of indulgence which, amongst themselves, no creditor is sufficiently regardless of his honor or his interest deliberately to refuse. Let him decide whether, when all their other applications for assistance have been freely granted, their resort to the General Government shall be coldly, and sternly, and harshly repulsed. Let him consider whether, when the stroke which has fallen so heavily upon that city is universally regarded as a national calamity, and when all that can be done for her relief must be alike regarded as a national benefit, he will assume the responsibility of deciding that this Government may safely, and wisely, and honorably postpone the claims of its debtors, and refuse to listen to the united and urgent appeals of so many of its citizens.

I have already noticed some of the objections that have been urged against this bill: there are others which may be supposed to deserve consideration. The gentleman from Kentucky, (Mr. HARDIN,) with his characteristic promptness, commenced an attack upon the bill before, as it proved, he had become acquainted with its provisions; and, in the use of his accustomed weapons of sarcasm and invective, endeavored to array against it the untimely influence of sectional and political prejudice. In glancing at his objections, let me respectfully suggest to him, that, if it be the misfortune of these debtors, it surely is not their fault that the city in which they reside has become the principal depository of the public revenue; and that the Government does not make the most profitable use of its funds which are there collected. If it be their misfortune, it surely is not their fault that the State, of which they are citizens possesses, under the constitution, a vast share of political influence; and that this influence, here and elsewhere, has been, and is likely to be, applied to purposes which that gentleman does not approve. Upon this occasion, he ought to remember that the claim presented for his consideration is one totally disconnected with political or sectional considerations—the simple, naked, and (as I had hoped all would regard it) indisputable, irresistible claim of the sufferers by an unprecedented calamity, who claim no other service at his hands but such as is due to the circumstances to which this calamity has reduced them. He ought to remember that, if so large a proportion of the revenue is, and must continue to be, collected and deposited in the city of New York, it is of great importance to the interests of the Government to prevent the

occurrence of general embarrassment and distress; one consequence of which will be, to endanger the security of the present depositories, and greatly to enhance the risk of bad debts, in respect to the bonds which remain unpaid. He ought to remember that, upon the prosperity of New York, the accruing resources of the Government are immediately dependent; and that, whatever the Government may now do for the temporary accommodation of the merchants of that city, will be more than repaid to the national treasury by the future results of their persevering and successful enterprise. The gentleman also owes it to himself, to his constituents, and to the country, not to forget that all sectional interests are merged in the welfare of the great commercial metropolis of the Union. He should not forget that such are the indissoluble relations of New York to all parts of the country, that they must share in its prosperity and misfortunes. He should not forget that, directly or indirectly, the planters, manufacturers, and traders of Kentucky have always something at stake in New York; and that he fails to consult their interests, and must be presumed to oppose their wishes, when, in a time of the greatest need, he refuses to extend the helping hand of the Government for the relief of those with whom, by all the ties of mutual dependence, his constituents and the people of the whole country are thus intimately connected. I am sure, sir, that I do not give to this consideration an undue importance. I am sure that neither the gentleman from Kentucky, nor any other gentleman who will allow himself to exercise a practical judgment upon this view of the subject, will disagree to the conclusion that the business of New York is in effect the business of the whole country; and that a sudden interruption and extensive derangement of the business of that city will prove a check to the prosperity of the whole country.

The gentleman from Rhode Island (Mr. PEARCE) has tasked his ingenuity to produce popular objections to the object of this bill, and has perhaps been more successful than the gentleman from Kentucky in exciting the prejudices of some members against it. He has proved, I think, that the title of the bill is not sufficiently definite, but has erred in supposing that the object which he considers to be implied in the title is, or ought to be, recognised in our legislation. The provisions of the bill are designed to extend the indulgence of the Government to those who are its debtors in the city of New York, and exclusively to such as are its debtors. It proposes to afford them the same indulgence which other creditors, under similar circumstances, which other creditors in New York, at this moment, have extended to their debtors. If it were proposed—if it were expedient, to attempt to relieve all sufferers by the fire, without reference to the peculiar relation which some of them sustain to the Government, the gentleman would do right to vindicate the claims of such as are not now provided for; and, if the bill were designed to be merely an act of charity, he might properly argue that the merchants of New York are the last who should receive, as he must well know they are the last who would accept, the bounty of the Government. But when the gentleman perceives that the single object of the bill (which I agree ought to be expressed in its title) is to make an equitable provision for the debtors of the Government *as such*, he can hardly consider it a justifiable mode of defeating this object, to attempt to asperse not their character, but their occupation, and to inveigh not at all against the equity of their claims in reference to the grounds upon which alone the claims are urged, but in a strain—I will not say of vulgar abuse—but of unmerited censure, against the necessary incidents of the rank in society to which the circumstances of these debtors have entitled them. I have no doubt that the recent fire has furnished many cases of such as are not debtors of the Government, whose claims to sympathy and

relief are quite as strong as the gentleman represents them; and I hope and believe that those claims will be cheerfully recognised by all to whom they can be properly addressed. It may be fortunate for such sufferers that the Government is not one of the creditors to whom they must now appeal for indulgence, but that they have only to resort to their neighbors, the merchants, for the ready acquisition of the facilities they need. Yes, sir, to the abused and denounced merchants, upon whom the tradesmen and mechanics, so warmly and deservedly eulogized by the gentleman, are immediately dependent for credit and employment, and in whose stability (to which the proposed relief may prove essential) the only hopes of these tradesmen and mechanics are directly and deeply involved. Let me advise the gentleman, then, to consider whether he can do a greater injury to the very class of whose interests he aspires to be regarded as the especial advocate, than by acting himself, and endeavoring to persuade the committee to act, upon the supposition that their interests can be otherwise than injuriously affected by whatever is calculated to excite distrust, and to produce ill will, and to direct the force of the most illiberal prejudice against their only patrons and their best friends. Let him consider, further, whether, at this critical moment, when the working classes of New York have their all at stake upon the ability of the merchants to recover from the disaster which threatens to overwhelm them, he will not prove himself the true friend of the working classes, by advocating, upon this occasion, in reference to their proper object, the claims of the merchants.

The gentleman from Rhode Island makes it another cause of complaint against the bill, that it not only provides for the relief of those who are almost exclusively merchants, but that some of them, also, do not happen to be American citizens. My answer to this objection is, very briefly, that they are, nevertheless, debtors of the Government, and, as such, entitled to share, without discrimination, in whatever policy the Government may see fit to adopt towards its debtors. It is the honorable characteristic of our commercial system, that it offers every facility for the introduction of foreign capital; that it invites to our ports the ships and the merchants of all nations, (who do not refuse to reciprocate the privilege,) and that, in the distribution of burdens and benefits, it makes no distinction whatever between citizens and foreigners. New York has been built up by the aid of foreign capital and enterprise; the revenue which has been there collected, has been always contributed, in a considerable measure, by foreigners or their agents; and since, as the gentleman represents, the recent calamity has fallen so heavily upon the French and other foreign houses established in the city, the statement of that fact affords a sufficient reason for extending to them whatever benefit they may gain, as debtors of the Government, from the general operation of the bill.

The gentleman from Rhode Island has made an elaborate investigation of precedents, and has shown, very conclusively, that they do not exhibit a uniform practice of the Government; but that, deciding every case upon its own merits, and with more or less consideration, Congress has sometimes granted and sometimes refused applications somewhat similar to this. From the number of such precedents, and from the fact that previous decisions have been thus contradictory, I can readily infer that there is an inherent defect in the existing laws, which, as I believe, and have stated, can only be remedied by the introduction of the warehousing system, under which such cases could not occur; but, as the precedents do not establish a general rule, and as the present case is marked by circumstances in many respects unprecedented, I do not see any thing that should deter us from the exercise of an independent judgment in deciding it.

The gentleman from Rhode Island grounds another objection upon the fact, that the relief afforded by this bill is so inconsiderable that it cannot be desirable. It is, indeed, fortunate for the merchants, and for the Government, that the fire did not occur a few years sooner, when almost all imported goods were subject to duty, and, in many instances, a very heavy duty, and when of course the average amount of bonds remaining unpaid must have vastly exceeded the sum which is now payable. If the amount of duties upon goods destroyed by the fire, instead of being as it is less than a million of dollars, had not been less than five millions, and if the amount of duties upon other goods, payable at the moment, instead of being between three and four millions, had not been less than fifteen or twenty millions, I agree that the magnitude of the claims of the public debtors would have been such that the Government must have yielded to the necessity, the uncontrollable necessity, of the most liberal and extraordinary measures of relief. Still the duty of the Government is not to be strictly measured by the magnitude of the claims; and if it were, I can deduce no other conclusion from the gentleman's premises than that, under the existing circumstances of this case, we ought to do far more than the bill proposes—a conclusion, to say the least, manifestly incompatible with the gentleman's avowed determination to do nothing.

The relief afforded by the bill, I am free to admit, does not correspond to the exigency of the case. I hope that still more may be done; especially that another bill for the remission of duties upon goods burned may be reported and passed, and that the Secretary of the Treasury may give such a direction to the public funds, already collected and constantly accruing at New York, as to make them available for the greater accommodation of the mercantile community, from whom these funds have been derived. An enlightened policy seems to me to justify and require such an administration of the finances at the present moment; and its results, I am well persuaded, must be extensively and permanently beneficial. I say, then, let all this be done; and let this bill be passed, in the first instance, as a measure of simple justice and manifest expediency, and as an earnest of the disposition of Congress to sanction the other measures which should succeed it. Let this bill, at least, be judged and decided upon its own merits; and, if there remains no other objection to it than that it does not afford sufficient relief, let that objection be removed, as has been just suggested, by further legislation, and by the arrangements of the Treasury Department.

The gentleman from Rhode Island does not exaggerate the influence and importance of the city of New York. That city sustains a relation to the Government and the country which gives her a right at all times to claim from both the most favorable consideration. At the present moment her call upon the Government, specially warranted by the circumstances of her situation, is enforced by numerous and simultaneous demonstrations of the approbation of the country.

It is not the call of New York alone. PHILADELPHIA has seconded the call with a spirit worthy of the name she bears. BALTIMORE has instructed her representatives to sustain her honor by supporting any practicable measures of relief. BOSTON, speaking for Massachusetts, has invoked the members from that State to a like generous co-operation. The memorial of NEW ORLEANS is the spontaneous and emphatic utterance of the voice of the West. It is not the call of New York alone; but every where, along the coast and throughout the interior, wherever there has been an expression of public sympathy, it is coupled with an earnest appeal to Congress. Let us answer the appeal by an act that shall be worthy of the constituted guardians of the national interests and the national honor.



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